

Effective 5/12/2015

17B-1-902.1 Interest -- Collection of administrative costs.

- (1)
- (a) A local district may charge interest on a past due fee or past due charge.
 - (b) If a local district charges interest as described in Subsection (1)(b), the local district shall calculate the interest rate for a calendar year:
 - (i) based on the federal short-term rate determined by the secretary of the treasury under Section 6621, Internal Revenue Code, in effect for the preceding fourth calendar quarter; and
 - (ii) as simple interest at the rate of eighteen percentage points above the federal short-term rate.
 - (c) If a local district charges interest on a past due fee collected by the local district, regardless of whether the fee is certified, the local district may charge the interest monthly but may not compound the interest more frequently than annually.
- (2)
- (a) A local district may charge and collect only one of the following:
 - (i) a one-time penalty charge not to exceed 8% for a past-due fee; or
 - (ii) an administrative cost for some or all of the following:
 - (A) the collection cost of a past due fee or charge;
 - (B) reasonable attorney fees actually incurred for collection and foreclosure costs, if applicable; and
 - (C) any other cost.
 - (b) A local district may not charge interest on an administrative cost.

Enacted by Chapter 349, 2015 General Session